

Message Text

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FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 813

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C O N F I D E N T I A L KINSHASA 10156

LIMDIS

E.O. 11652: GDS

TAGS: EGEN EFIN BE FR CG

SUBJECT: OPPOSITION TO LONDON AGREEMENT AND TO IMF
STABILIZATION PROGRAM

1. WE HAVE LEARNED THAT BELGIAN ECONOMICS PROFESSOR, HUGHES LECLERCQ, HAS RECENTLY BEEN IN KINSHASA AND HAS BEEN VOICING CRITICISM OF THE RECENT LONDON ACCORD WITH THE PRIVATE BANKERS. WE UNDERSTAND THE GIST OF LECLERCQ'S LINE IS THAT GOVERNOR SAMBWA SOLD ZAIRE'S SOUL TO THE AMERICAN BANKS AND TO THE IMF; THE TERMS ARE SO ONEROUS AS TO FURTHER PUT ZAIRE INTO THE FINANCIAL HOLE AND IN ADDITION, THE FUND'S CONDITIONS WILL BE AN UNNECESSARY DEROGATION OF ZAIRE'S SOVEREIGNTY.

2. LECLERCQ IS A LEFTIST INTELLECTUAL WITH LONG EXPERIENCE IN ZAIRE. HE FOUGHT HARD AGAINST AND ALMOST TORPEDOED THE 1967 IMF STABILIZATION PROGRAM, AND UNDOUBTEDLY CONTRIBUTED TO BISENGIMANA'S INITIAL OPPOSITION TO THE CURRENT STABILIZATION PROGRAM IN EARLY 1975. WE UNDERSTAND THAT HE WAS BACK IN KINSHASA AT BISENGIMANA'S REQUEST. THE DEPARTMENT IS AWARE OF THE RUNNING FEUD BETWEEN BISENGIMANA AND SAMBWA WHICH, INTER ALIA, HAS FOCUSED ON THE NEED FOR AN IMF STABILIZATION PROGRAM.

3. THE AMBASSADOR DISCUSSED THE LONDON ACCORD WITH MOBUTU ON
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NOVEMBER 20 AND THE PRESIDENT SEEMED PLEASED BY WHAT SAMBWA HAD

ACCOMPLISHED. STILL, REPORTS THAT BISENGIMANA IS CURRENTLY TRYING TO RAISE LARGE SUMS OF MONEY (KINSHASA 9768) INDICATE THAT HE HAS NOT GIVEN UP ON HIS ATTEMPT TO SOLVE THE FINANCIAL CRISIS ON TERMS WHICH WILL NOT REQUIRE IMF CONDITIONS. AND BISENGIMANA'S INFLUENCE IS NOT TO BE DOWNPLAYED. THUS, THE SUCCESS OF THE IMF TEAM NOW IN KINSHASA IS INDEED "FAR FROM ASSURED," AS RUSSO INTIMATED TO DEPARTMENT OFFICERS.

4. WE ARE DOING WHAT WE CAN HERE DISCREETLY TO OFFSET LECLERCQ'S ARGUMENTS, BUT IT OCCURS TO US THAT IF BISENGIMANA IS IN FACT WORKING AGAINST THE LONDON AGREEMENT, HE MAY TRY TO SWING BELGIAN AND FRENCH BANKS AGAINST THE AGREEMENT, AND HE MAY TRY TO USE HIS CONNECTION WITH THE FRENCH AND BELGIAN GOVERNMENTS TO RAISE DOUBTS IN THEIR MINDS AS WELL.

5. IN VIEW OF THE OPPOSITION WE PERCEIVE TO THE LONDON AGREEMENT, THE DEPARTMENT MAY WISH TO CONSIDER ASKING OUR EMBASSIES IN PARIS AND BRUSSELS TO CONSULT WITH THEIR HOST GOVERNMENTS (A) TO DETERMINE THE DEGREE OF OFFICIAL FRENCH AND BELGIAN SUPPORT FOR THE LONDON AGREEMENT; (B) ASSUMING GOB/GOF ARE ON BOARD, TO ASK THEM TO WEIGH IN WITH THE ZAIRIANS IN SUPPORT OF THE SECOND STANDBY NEGOTIATIONS WHICH ARE CURRENTLY UNDERWAY; AND (C) TO ASK THE GOB/GOF TO DO LIKEWISE WITH THEIR PRIVATE BANKS. WE ALSO SUGGEST THAT, IN ORDER TO AVOID POSSIBLE BACK-FIRING HERE, NO RPT NO SPECIFIC REFERENCES TO BISENGIMANA/LECLERCQ OPPOSITION BE INCLUDED IN ANY APPROACHES PARIS AND BRUSSELS MAY MAKE.
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